

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 20, 2007
POSITION: Neutral, note concerns

BILL NUMBER: SB 1047
AUTHOR: Senate Business, Professions
and Economic Development

BILL SUMMARY: Consumer Affairs: Technical Changes

This bill would (1) delay to January 1, 2009 specified licensing requirements for professional fiduciaries, (2) create a statute of limitations on Bureau of Automotive Repair (BAR) licensees, (3) extend the sunset date for the Bureau of Electronic and Appliance Repair (BEAR), and (4) extend the timeframe on the collection of delinquent fees by the Bureau of Home Furnishings and Thermal Insulation (BHFTI). It would also make several minor changes to various provisions pertaining to regulatory boards of the Department of Consumer Affairs (DCA).

FISCAL SUMMARY

The 2007-08 budget bill estimated revenues of \$1.4 million based on the requirement that professional fiduciaries obtain a license from the Professional Fiduciaries Bureau (Bureau) no later than July 1, 2008. The 2007-08 budget bill also estimated a \$1 million loan from the Vehicle Inspection and Repair Fund (VIRF) pursuant to Section 14.00, Budget Act of 2007, to meet the cash flow needs and support bureau operations (\$1.1 million special funds). This bill would delay the licensing requirement by six months to January 1, 2009, which will likely reduce revenues by 50 percent. This decrease in revenue may prevent the Bureau from operating self sufficiently and from paying back loans in fiscal year 2008-09.

Depending on the current frequency and location of board meetings, some boards may have increased costs as a result of this bill. DCA indicates that these costs would be minor and absorbable. BHFTI is likely to experience an increase in revenue based on the revised collection period for delinquent fees. The Department of Pesticide Regulation did not have any fiscal concerns with the Structural Pest Control Board consulting with them rather than the Department of Food and Agriculture.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the March 22, 2007 version alter our position. Amendments would:

- Delay to January 1, 2009 the licensing requirement for professional fiduciaries.
- Expand data that must be maintained on Bureau licensees.
- Require BHFTI licensees to pay accrued renewal, delinquent, and penalty fees if attempting to renew their licenses within 6 years of its expiration. A new license application would be required after six years of expiration, however accrued fees from the last renewal would still be due.
- Extend to January 1, 2008 the operative date for mandatory reporting requirements for licensees of the Board for Professional Engineers and Land Surveyors for specified incidences to January 1, 2008, subject to availability of funds.
- Authorize investigation of complaints and suspend/revoke certificates for engineers-in-training and land surveyors-in-training.
- Clarify information to be included when compiling the list of land surveyor licensees.

Analyst/Principal (0242) K. Shelton	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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- Require the Structural Pest Control Board to consult with the Department of Pesticide Regulation rather than the Department of Food and Agriculture regarding specified matters.

COMMENTS

The intent of this bill is to make various minor changes to allow affected boards and bureaus to more efficiently administer their respective laws. It also makes more substantive, primarily non-controversial changes by creating a statute of limitations on charges against BAR licensees, extending a BEAR sunset date and allowing BHFTI to pursue delinquent payments beyond current time frames. However, Finance notes a concern with the provisions of this bill that delay the licensing requirements for professional fiduciaries because it will likely reduce the revenues. If revenues are decreased without a corresponding reduction in operating costs, there will not be sufficient funds to support the Bureau operations or repay the loan from the VIRF.

Existing law:

- Requires board's to engage in public meetings, subject to the provisions of the Bagley-Keene Open Meetings Act.
- Sunsets the authority to regulate, register and conduct investigations of service contractors by the BEAR on January 1, 2008.
- Allows the BAR to take specified disciplinary actions against its licensees.
- Requires the Structural Pest Control Board to consult with the Department of Food and Agriculture regarding specified matters.
- Requires all professional fiduciaries to be licensed by the Bureau by July 1, 2008

In addition to those outlined in the Summary of Changes, this bill would make the following significant changes:

- Require all boards to meet at least three times per year with at least one meeting each in northern and southern California. This requirement would be subject to exemption for good cause by the director of the DCA. Additionally, the director would be authorized to call for a special board meeting if a board is not fulfilling its duties.
- Extend the sunset date on the BEARs authority to regulate, register and conduct investigations of service contractors to January 1, 2013.
- Establish a statute of limitations for automotive repair dealers by requiring that all accusations be filed within three years of the alleged act or omission and that allegations of fraud must be filed within two years of discovery of the alleged fraud.
- Authorize the BHFTI to collect accrued renewal fees in addition to delinquent and penalty fees from licensees whose licenses have lapsed for more than two renewal cycles and make clarifying language changes regarding the terms "second hand" and "used".

BILL NUMBER

SB 1047

<u>Fund Code</u>	<u>Title</u>
0106	Pesticide Regulation Fund, Dept of
0494	Other Unallocated Special Funds
0752	Home Furnish & Thermal Insulat Fd, Burea
3108	Professional Fiduciary Fund